



China Integrated Media Corporation Limited
Suite 5, Level 2, Malcolm Reid Building
187 Rundle Street, Adelaide SA 5000
T: +61 8 8232 0180
F: +61 8 8312 0248
www.chinamedia.com.au
A.B.N. 98 132 653 948

ASX ANNOUNCEMENT

22 December 2014

Proposed Acquisition of Audio Business

The Directors of China Integrated Media Corporation Limited (“CIMC” or the “Company”) are pleased to announce that the Company has taken the opportunity to expand its activities with the execution of a Share Sale and Purchase Agreement to acquire the entire issued share capital of Conco International Co., Ltd. (“CICL”) from an independent third party (“Vendor”).

About CICL

CICL is a company incorporated in the British Virgin Islands in 1999. CICL is principally engaged in the design, sale and distribution of audio products.

Terms and Conditions of the Proposed Acquisition

The purchase consideration (“Initial Consideration”) for the CICL Sale Shares is the lower of (i) the net asset value of CICL at completion date which shall not be later than January 15, 2015 and (ii) AUD 150,000. The Initial Consideration will be settled by the issuance of CIMC shares at a price of AUD 20 cents per share.

The Company will also pay a deferred consideration at five (5) times the average annual audited profits of CICL for the three years ended 31 December 2018 less the Initial Consideration. The deferred consideration shall be paid by the issuance of CIMC shares (“Performance Shares”) at the average closing price of CIMC shares on the ASX prior to the issuance date of the CIMC shares. The issuance of the Performance Shares is subject to the approval of the CIMC shareholders at the next practicable shareholder meeting and regulatory approvals, if any. If (i) the issuance of the Performance Shares or (ii) a waiver of the takeover bid by the Vendor should the Performance Shares exceeds 20% of the then issued share capital of CIMC are not approved, then any of the Deferred Consideration not paid in the issuance of CIMC shares shall be paid in cash. .

Further details of the proposed transaction are shown in Appendix A.

On behalf of the Board,

/S/ Dr. Herbert Ying Chiu Lee

Dr. Herbert Ying Chiu Lee
Director

For personal use only



Appendix A: Summary of Share Sale and Purchase Agreement (“SSPA”)

Parties:	China Integrated Media Corporation Limited (“CIMC” or “Purchaser”) Jeffrey Ming-Yih Chang (“Vendor”) Conco International Co., Ltd. (“CICL”)
Purchase Price/ Consideration:	CIMC has currently 52,912,833 shares on issue. The Purchaser shall acquire 100% of the shares in CICL from the Vendor at a consideration at the lower of the net asset value of CICL as at the completion date and AUD 150,000 (“Initial Consideration”). The Purchaser shall pay the Initial Consideration by issuing the number of CIMC shares at a price of AUD 20 cents per share. The maximum number of CIMC shares to be issued for the Initial Consideration is 750,000.
Deferred Consideration	The Purchaser will also pay a deferred consideration at five (5) times the average annual audited profits of CICL for the three years ended 31 December 2018 less the Initial Consideration. The deferred consideration shall be paid by the issuance of CIMC shares (“Performance Shares”) at the average closing price of CIMC shares on the ASX prior to the issuance date of the CIMC shares. The Purchaser shall issue the Performance Shares to the Vendor within one month from the issuance of audited financial statements, which shall not be later than 30 April 2019, of CICL for the year ended 31 December 2018. The issuance of the Performance Shares is subject to the approval of the CIMC shareholders at the next practicable shareholder meeting and regulatory approvals, if any. If (i) the issuance of the Performance Shares and (ii) a waiver of the takeover bid by the Vendor should the Performance Shares exceeds 20% of the then issued share capital of CIMC are not approved, then any of the Deferred Consideration not paid in the issuance of CIMC shares shall be paid in cash.
Warranties:	The SSPA contains representations, warrants and undertakings given by the Vendor to CIMC.
Conditions Precedent:	CIMC being satisfied, in its absolute discretion, with the results of its own due diligence; CIMC obtaining all necessary approvals, waivers and confirmations from ASX in respect of the proposed purchase of CICL; CIMC obtaining all necessary Shareholder and ASIC approvals in respect of the proposed purchase of CICL; and Obtainment of any other Regulatory Approvals.
Completion:	The completion date of this transaction is expected on or before 15

For personal use only

For personal use only

January 2015 or other dates as agreed by CIMC and the Vendor after the satisfaction of the various conditions precedent to the SSPA.

Governing Law:

The Share and Sale Purchase Agreement is governed by and construed in accordance with the laws of Hong Kong Special Administrative Region.